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RHEHAAA/WHITEHOUSE WASHDC
RHEBAAA/DEPT OF ENERGY
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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000860

SIPDIS

ENERGY FOR CDAY AND ALOCKWOOD, DOE/EIA FOR MCLINE
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E.O. 12958: DECL: 07/02/2019

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SUBJECT: VENEZUELAN INTEREST IN RESURRECTING MOU WITH US
DEPARTMENT OF ENERGY

Classified By: Economic Counselor Darnall Steuart, for reasons
1.4 (b) and (d).

11. (C) SUMMARY AND ACTION REQUEST: This is an action request.
PDVSA board members have twice proposed reactivating the
bilateral MOU on energy cooperation with the U.S. Department
of Energy (DOE). Post recommends that the DOE and other
Washington agencies authorize the Ambassador to press for
preliminary discussions with Minister Ramirez following which
the USG can make a determination whether it will pursue
reactivating the MOU. END SUMMARY AND ACTION REQUEST.

12. (C) Embassy personnel have had two recent conversations
with senior PDVSA employees in which they requested that the
U.S. reactivate the historical bilateral MOU on energy
cooperation with the DOE. On June 10, Petroleum AttachQ
spoke by phone with PDVSA Board member Fadi Kabboul regarding
Venezuela's possible participation in the June 15-16 Lima
Energy and Climate Symposium. Kabboul took advantage of the
opportunity to turn the conversation to a discussion of the
bilateral MOU.

13. (C) On June 26, an alert Consular officer informed the
Economic Section that Asdrubal Chavez, PDVSA Vice President
for Refining, Trading and Supply and widely rumored to be a
likely candidate to be PDVSA President should Rafael Ramirez
be appointed to another government position, was in the
Consular Section to apply for visas for his two children.
EconCounselor and Petroleum AttachQ introduced themselves to
Asdrubal Chavez and raised the possibility of resuming
meetings between PDVSA and the Mission, noting it has been
over three years since the last such meeting. Asdrubal
Chavez politely agreed it would be a good idea to reactivate
contact but said that PDVSA wanted to resume regular
bilateral talks with the DOE. EconCounselor noted that she
thought it possible that DOEQ,s interest in heavy oil
research had changed but that Post would forward the BRVQ,s
or PDVSAQ,s expression of interest to Washington. She
underlined that the Embassy would need to be involved in any

discussions to resume the bilateral energy dialog.

14. (SBU) BACKGROUND: The MOU for energy cooperation between the DOE and the Venezuelan Ministry of Energy and Petroleum was initiated in 1980. The most recent MOU expired officially in 2007 but became inactive following the December 2002-February 2003 oil strike. Its purpose was to establish a framework for technology cooperation in areas of mutual interest to Venezuela and the United States. The scope of activities under the agreement have included training, joint technology development and information exchange in characterization and process of hydrocarbons, heavy oil and thermal recovery research, oil and petrochemical ecology and environment, drilling and completion technology, natural gas exploration and development technology and professional development and training. The MOU was overseen and managed by a Joint Steering Committee (JSC) co-chaired by a representative from the DOE and by a representative from MENPET. The JSC met twice annually to review accomplishments under the MOU, to identify tasks, schedules and milestones for ongoing activities, and to propose training and development objectives within the agreed scope of the MOU. End Background.

15. (C) Post has repeatedly attempted to engage MENPET through the Ministry for External Relations (MRE), the official channel dictated by the GOV for the U.S. Embassy. In 2009 alone, Post has requested meetings to discuss the International Renewable Energy Agency (June 2009) and the Energy and Climate Partnership of the Americas (ECPA)

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launched at the April 2009 Summit of the Americas. Post also requested a meeting with MENPET Minister and PDVSA President Rafael Ramirez (May 2009). To date, Post has not received a response to any of our attempts to engage the GBRV on energy-related issues.

16. (C) COMMENT AND ACTION REQUEST: Post is interested in initiating a discussion on this subject if the authority to do so is delegated to the Post. We believe, however, that, as it has done in the past, the BRV could seek to use other channels to avoid dealing productively with the USG. So, it is our view that we need to make it clear that initial discussions must be coordinated at an appropriate level with the Mission here in Caracas. Post recommends that the DOE and other Washington agencies authorize the Ambassador to press for preliminary discussions with Minister Ramirez following which the USG can make a determination whether it will pursue reactivating the MOU. DUDDY